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REMARKS

This Amendment is being submitted in response to the Official Action dated 12 February 2007, the deadline for response being 12 May 2007. Claims 1, 2 and 6 are herein amended. Thus, claims 1-11 remain pending in this application.

The Examiner objected to claim 2 for an informality, which has been corrected herein.

The Examiner rejected claims 1 and 6 under 35 U.S.C. 112, second paragraph as being indefinite for failing to particularly point out and distinctly claim the subject matter which the applicant regards as the invention. The Examiner asserts that the term "pivot" security in claims 1 and 6 is not clearly defined in the specification or within the relevant art, and has construed the term as "a security" for the purposes of examination. The word "pivot" is a commonly-known term meaning (in a non-mechanical sense) 2: a person, thing, or factor having a major or central role, function, or effect" [Webster's Dictionary]. The Examiner also seems to overlook the explicit definition of "pivot security" in the specification. Page 14, lines 3-4 clearly states that, "[a]ny of the companies listed can be selected by the user as the pivot security." Thus, "pivot security" in claims 1 and 6 is the security selected by the user to play the central role.

Additionally, the Examiner contends that the term "absolute" in claims 1, 3, 6, and 8 is relative and thus renders the claims indefinite. The Examiner argues that "absolute" is not defined by the claims or the specification, and that one of ordinary skill in the art would not be reasonably apprised of the scope of the invention. For examination purposes, the Examiner has construed "absolute" to mean "the absolute value of a real number is its numerical value without regard to its sign". This applies a mathematical definition other than as intended. The word "absolute" is a common term intended to mean "4 : having no restriction, exception, or

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qualification.' [Webster's Dictionary]. The specification further describes the "absolute values". Page 13, lines 28-29 (emphasis added) states that, "[t]he Relative output presents the security numbers in *absolute values, or as ratios*, relative to a single selectable 'pivot' security." "The table is designed to present the security numbers either as absolute values, or as ratios, relative to a single selectable "pivot" security. More specifically, at the top of the table, "two buttons appear: ABSOLUTE VALUES and RELATIVE VALUES. If the user desires to display the data as is, ABSOLUTE VALUES is selected and the imported data is shown as is. However, if the user desires to display the data relative to a pivot security in accordance with the present invention, they select RELATIVE VALUES". Thus, absolute values are not ratios but merely the un-indexed financial statistics for the displayed security. Applicant has endeavored to clarify the language of claims 1 and 6 to make the meaning more precise.

The Examiner rejected claims 1 and 6 under 35 U.S.C. 102(b) as being anticipated by U.S. Patent 5,819,238 to Fernholz. At the outset, it is imperative to understand that the present invention is an automated system and method for dynamic security price and value indexed-comparison comprising a comparator & indexer applet that permits a user to compare in absolute or indexed terms, a large number of user selected factors relating to a large number of user selected stocks. The data can be viewed on an indexed basis whereby a pivot security (company) is chosen and represented as 100 for each of the factors. Thus, on an indexed basis all statistics for each user-selected stock are ratioed by the corresponding statistic for the pivot security, which pivot security is also user selected. Any of the companies listed can be selected by the user as the pivot security. It is necessary to note that *pivot security* is a company/stock that the *user* selects and to which all user-selected securities are compared. This allows the user to compare the selected securities based on *personalized* opportunity costs rather than

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subscription indices such as the Dow. The benefit of using the comparator & indexer is that relative valuations to those of the pivot security become immediately apparent either resulting in a value conclusion or determination as to the areas necessary for further focused study. Absolute values can also be shown.

Fernholz '238 discloses an apparatus and methods for automatically modifying a financial portfolio through dynamic re-weighting. The apparatus includes a "computer 60 [which] internally stores current information regarding the portfolio(s) being managed, its cash position and appropriate parameter values. Once all the required input information is received, ... [the] system 65... iterates through all the securities in the S & P 500 index to calculate a new weighting, as a percentage of the portfolio of that security." (See Fernholz '238 column 8, lines 16-24). The goal here is to balance a portfolio of securities and maintain a target amount of each security as a proportion of the entire portfolio based on current capitalization weights of the securities in the Dow Jones. This has nothing to do with the indexing approach taken by the present inventor, and the Examiner incorrectly equates the afore-quoted language with "to calculate said user-selectable security data as absolute values relative to a *single pivot security*" of claim 1 (emphasis added). The Fernholz '238 system does not allow the user to select a "single pivot security", but instead *iterates through all the securities in the S & P 500 index* to calculate a new weighting, as a percentage of the portfolio of that security. Again, a pivot security allows a user to evaluate the selected securities to based on *personalized* opportunity costs (reflected by the chosen pivot security). This is the very crux of the invention, and it is reflected in claim 1 as to "calculate said user-selectable security data *as indexed values relative to a single pivot security, and to display said user-selectable security data arranged in a table of*

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*rows of user-selectable securities and columns of statistics derived from said user-selectable security data, said statistics selectively including indexed statistics and absolute statistics. "*

Fernholz '238 does not meet or suggest this feature, and thus, Fernholz '238 does not anticipate claim 1.

Furthermore, the Examiner finds that Fernholz '238 anticipates claim 6 and incorrectly equates the limitation of "allowing each accessing subscriber to designate one of said securities from said subset to be a pivot security" with "storing data relating to current portfolio holdings" which Examiner contends is shown in Fernholz '238. It is not. Fernholz '238 merely figures out how much of each security is in the portfolio. As stated *supra*, a pivot security is a company/stock that a *user can select* and compute benchmark data for. Claim 6 reflects this as "calculating said financial statistics from said historical security market figures, *and for each financial statistic calculating an indexed value relative to the corresponding financial statistics for said pivot security; and displaying said financial statistics to said accessing user in both absolute terms and as said indexed values relative to the pivot security...*" The Fernholz '238 system has no counterpart pivot security, and does not provide any of the same indexed statistics based thereon. Thus, Fernholz '238 lacks this essential limitation of claim 6, and hence does not anticipate claim 6. Claim 6 is therefore patentably distinguished.

The Examiner rejected claims 2-5 and 7-11 under 35 U.S.C. 103(a) as being unpatentable over Fernholz '238 as applied to claims 1 and 6 and further in view of U.S. Patent No. 6,564,191 to Reddy. The Examiner acknowledges that Fernholz '238 falls short of the claimed elements in claims 2-5 and 7-11, but credits Reddy '191 with bridging the gap. As stated above, Applicant asserts that Fernholz '238 does not arrive at claims 1 and 6 (and hence depending claims 2-5 and 7-11), and Reddy '191 does not bridge the gap. The Examiner contends that Reddy '191

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discloses a computer-implemented method for performance measurement consistent with an investment strategy including "a comparator & indexer applet [that] is a Java applet". Reddy '191 discloses a computer-implemented method and system that allows investors to interactively query and analyze the performance of securities, consistent with a long term investment approach such as a dollar cost averaging (DCA) strategy. "Upon accessing the invention as embodied in a computer system, the investor is presented with a computer screen that prompts the investor to input the following information: security symbol, investment amount..., investment frequency at which the investor will make investments in the security..., investment term, and performance duration. The invention then takes the investment parameters and, in conjunction with the application content variables that include the price of the security and the income from the security, calculates the internal rate of return (IRR).... the time-weighted Internal Rate of Return for the security and the related performance information including the cumulative amount invested, cumulative number of securities purchased, and the market value of the investment at the end of the period are displayed to the investor." (See column 4, lines 18-29 and lines 52-57.) Reddy '191 is simply a calculator, and not a comparator/indexer. Reddy '191 does not disclose "a comparator & indexer applet" as required by claim 1 and moves no closer than Fernholtz toward allowing a user to designate a pivot security and then evaluate the selected securities to based on *personalized* opportunity costs (reflected by the chosen pivot security). This is the very crux of the invention, recited as "allow[ing] each accessing subscriber to designate one of said securities from said subset to be a pivot security; calculate[ing] said financial statistics from said historical security market figures, and for each financial statistic calculate[ing] an indexed value relative to the corresponding financial statistics for said pivot security" as required by claim 6. Reddy '191 does not compare securities as specifically

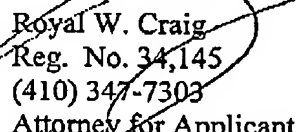
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required by claims 1 and 6 (and depending claims 2-5 and 7-11), and consequently it does not allow an investor to determine (personalized) opportunity costs, which is the very crux of the invention. Hence claims 2-5 and 7-11 are patentably distinguished.

Note that claim 5 specifically recites the advantage of the indexing approach which is to allow an accessing user to compare the designated securities based on personalized opportunity costs, and neither Reddy '191 nor Fernholz '238 are at all capable of this because neither adapts any form of pivot-security evaluation as required by claim 5.

In view of the above, all pending claims 1-11 are believed to avoid all the objections/rejections set forth in the final Official Action. The case should be in allowance. A Notice to this effect is respectfully requested, and the Examiner is invited to call the undersigned at (410) 347-7303 to discuss any remaining issues.

Respectfully submitted,

  
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